

STATEMENT OF PURPOSE

RS29930 / H0059

This bill closes a loophole with the Idaho Investment Tax Credit (ITC) for mobile property – meaning property used both inside and outside of Idaho. The credit is pro-rated for mobile property since the property is not used 100% of the time in Idaho. The pro-rated calculation is done using the percentage-of-use method or the property factor method. The percentage-of-use method has a provision to ensure a pro-rated calculation occurs if property is placed in service in the last 90 days prior to year-end. The property factor method does not have this 90-day provision, meaning a property placed in service on the last 90 days of the year could get the full credit as-if the property is used 100% in Idaho. This bill makes the pro-rated calculation consistent between the two methods by adding the 90-days provision language in the percentage-of-use method to the property factor method.

FISCAL NOTE

The fiscal impact is estimated to be a \$363,000 increase to revenue collected for the 2023 fiscal year and each year going forward.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).